

SENATE BILL NO. 318

INTRODUCED BY K. VAN DYK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING AN INDIVIDUAL INCOME TAX CREDIT FOR GROSS  
5 RENT PAID BY A RENTER ON THE DWELLING OR DWELLINGS THAT THE RENTER OCCUPIED AS THE  
6 RENTER'S PRINCIPAL RESIDENCE FOR AT LEAST 7 MONTHS DURING 2013; PROVIDING A PROCEDURE  
7 FOR ESTABLISHING ENTITLEMENT TO THE TAX CREDIT AND THE PERIOD WITHIN WHICH THE  
8 ENTITLEMENT MUST BE ESTABLISHED; PROVIDING PENALTIES FOR FRAUDULENT CLAIMS; AND  
9 PROVIDING AN IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A  
10 TERMINATION DATE."

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12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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14 NEW SECTION. **Section 1. Definitions.** As used in [sections 1 through 4], the following definitions  
15 apply:

16 (1) "Claimant taxpayer" means an individual income taxpayer who is eligible to file a claim under [section  
17 2].

18 (2) "Department" means the department of revenue provided for in 2-15-1301.

19 (3) "Dwelling" means:

20 (a) a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile  
21 home and as much of the surrounding land, not exceeding 1 acre, as is reasonably necessary for its use as a  
22 dwelling; or

23 (b) a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile  
24 home that is rented from a county or municipal housing authority as provided in Title 7, chapter 15.

25 (4) "Gross rent" means the total rent in cash or its equivalent actually paid during calendar year 2013  
26 by the renter or lessee for the right of occupancy of the dwelling.

27 (5) "Household" means an association of persons who live in the same dwelling, sharing its furnishings,  
28 facilities, accommodations, and expenses.

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30 NEW SECTION. **Section 2. Eligibility for tax credit for rent-equivalent property taxes paid.** In order

1 to be eligible to receive an individual income tax credit under [sections 1 through 4], a claimant taxpayer must  
2 have occupied one or more dwellings in Montana as a renter or lessee for at least 7 months in 2013.

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4 **NEW SECTION. Section 3. Individual income tax credit for rent-equivalent property taxes paid**  
5 **-- manner of claiming -- limitations.** (1) Subject to the provisions of [sections 1 through 4], a claimant taxpayer  
6 is allowed an individual income tax credit against the tax imposed by 15-30-2103 for rent-equivalent property  
7 taxes paid.

8 (2) The credit is equal to 15% of gross rent paid on the dwelling or dwellings that the claimant taxpayer  
9 rented as the claimant taxpayer's principal residence for at least 7 months during calendar year 2013, not to  
10 exceed \$250.

11 (3) An application for the credit, in a form that the department prescribes, must be executed by each  
12 claimant taxpayer under penalty of false swearing and must include the information that the department requires.  
13 A receipt or other evidence of gross rent paid must be filed with the application for the tax credit.

14 (4) The credit is subject to the following limitations:

15 (a) only one credit per household is allowable under this section. For the purpose of this subsection  
16 (4)(a), in the case of a married individual filing a separate return, the amount of the credit may be split in  
17 proportion to each taxpayer's share of the contribution.

18 (b) a claimant taxpayer may not claim a credit for gross rent paid for the portion of the rent that is derived  
19 from a public rent or tax subsidy program;

20 (c) except for dwellings rented from a county or municipal housing authority, a credit may not be allowed  
21 on rented lands or rented dwellings that are not subject to Montana property taxes;

22 (d) when the landlord and claimant taxpayer have not dealt at arm's length and the department  
23 determines the gross rent charged to be excessive, the department may adjust the gross rent to a reasonable  
24 amount;

25 (e) a person who claimed a credit under 15-30-2337 through 15-30-2341 for tax year 2013 is not entitled  
26 to claim a credit under this section;

27 (f) the credit allowed under this section may not be refunded if a taxpayer has tax liability that is less than  
28 the amount of the credit; and

29 (g) there is no carryback or carryforward of the credit permitted under this section.  
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1            NEW SECTION. **Section 4. Penalty for false or fraudulent claim -- department of revenue to**  
2 **administer tax credit in same manner as other tax credits.** (1) A person who files a false or fraudulent  
3 application for an individual income tax credit under [sections 1 through 4] is subject to criminal prosecution under  
4 the provisions of 45-7-202. If a false or fraudulent claim has been paid, the amount allowed may be recovered  
5 as any other tax owed the state.

6            (2) The provisions of Title 15 apply to [sections 1 through 4] in the same manner as the provisions apply  
7 to individual income tax credits claimed under Title 15, chapter 30, part 23.

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9            NEW SECTION. **Section 5. Effective date.** [This act] is effective on passage and approval.

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11            NEW SECTION. **Section 6. Retroactive applicability.** [This act] applies retroactively, within the  
12 meaning of 1-2-109, to the tax year beginning after December 31, 2012.

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14            NEW SECTION. **Section 7. Termination.** [This act] terminates December 31, 2013.

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